

MINUTES

NATURAL RESOURCES COMMISSION

**HOLIDAY INN
939 THIRD STREET
MUSKEGON**

JANUARY 12, 2006

PRESENT FOR THE COMMISSION

Keith Charters, Chairman
Mary Brown
Darnell Earley
Bob Garner, Vice Chair
Jerry Hall
John Madigan
Frank Wheatlake

PRESENT FOR STAFF

James Riley, NRC Legal Counsel
Becky Humphries, Director
Dennis Fox, Chief of Staff
Dennis Fedewa, Chief Deputy
James Ekdahl, UP Field Deputy
Patricia Stewart, Office of Communications
Rodney Stokes, Legislative Liaison
Other DNR Staff

COMMITTEE OF THE WHOLE

Chairman Charters called the Committee of the Whole meeting of the Natural Resources Commission (NRC) to order at 3:12 p.m. on Thursday, January 12, 2006.

Chairman Charters recognized **Senator Gerald Van Woerkom**, who serves the Muskegon area.

KEITH CHARTERS' REAPPOINTMENT

Director Humphries introduced **Dan Eichinger, Governor's Office**, who announced the Governor's reappointment of Keith J. Charters to the NRC, for a term ending December 31, 2009. **Chairman Charters** received a standing ovation from the Commission and the audience. He said there are no partisan politics when considering what is good for the resource. Using that same philosophy, he said "when in doubt, do what's best for the resource." He was honored to be reappointed and hopes to continue making the NRC transparent to allow the public to participate in natural resources matters.

Chairman Charters said his highest priority as a Natural Resources Commissioner is, and has always been, recruitment, mentoring and retention to ensure there will be stewards of the resource in the future. He also said that declining license sales need to continue to be a major focus.

Director Humphries expressed pleasure that Chairman Charters was reappointed.

RECRUITMENT AND RETENTION WORK GROUP REPORT

Pat Stewart, Chief Communications Officer and Work Group Chair, introduced Work Group members present: Chuck Nelson-Work Group Chair, Jason Dinsmore, Ed Ingvarsen, Rodney Stokes, Tom Oliver, Bill Moritz, Alan Marble, Jerry Keck and Jerry Hall.

Chuck Nelson, Work Group Facilitator, thanked Michigan United Conservation Clubs (MUCC) for allowing them to utilize their meeting facilities, and thanked all members for their many hours of hard work. He noted that his involvement was very personal in that he has two kids who hunt and he has coached and mentored them and their friends.

The charge of the Work Group was to develop recommendations. The following three recommendations were chosen as priorities:

1. Provide additional public hunting on private land in southeast Michigan;
2. Provide an opportunity for a wider spectrum of society to participate in hunting;
3. Create and expand opportunities to infuse hunting and related outdoor recreation into existing and emerging mentoring programs.

Pat Stewart reviewed the report's action plan, which will hold the group accountable and on task. She also mentioned that an implementation team will be developed to ensure these recommendations are implemented in a timely fashion.

The Commissioners and Director commended the Work Group for the development of the recommendations and stated that this is a very important issue.

Hunter Access Program (HAP) – Landowner Incentives

Tom Oliver, Work Group Member, provided a history of the HAP in Michigan. In 1936, the Williamston Plan provided plans and materials for habitat management and provided a method of granting access. The program peaked in 1940 with approximately 500,000 acres enrolled. By 1944, enrolled acres declined 73 percent. In 1948, through the Private Land Wildlife Habitat Program, over 7,000 habitat management plans were developed. However, by 1963 this number was curtailed due to a shift in management focus. The current HAP program consists of a three-year lease for hunting access (September 1 to May 31); 40 acres minimum; rates of payment are based upon amounts of specific habitats identified; and funding provided with a match from Pittman-Robertson funds. The yearly HAP enrollment has been declining. The primary reason for the decline is landowner perception of hunter disrespect. The HAP sub-work group recommends the following:

1. Develop a campaign to inform potential landowner participants about the truths and myths associated with landowner liability and risk;
2. Develop a program to increase hunter appreciation for HAP enrolled lands, foster higher hunting ethical standards, and afford the HAP landowner participants additional opportunities to control access for HAP enrolled properties;
3. Further investigate how lease payments influence landowner recruitment in HAP;
4. DNR personnel need to maintain contact with landowners enrolled in the program;
5. Create a HAP hunting guide which references maps depicting property locations;
6. Offer to landowners the option of DNR-developed habitat plans for properties enrolled in HAP;
7. Offer landowners the option of designating properties for specific hunting seasons or dates for themselves.

Commissioner Garner noted that the Michigan Farm Bureau has indicated it, in conjunction with other groups, would be willing to work with farmers in areas of high deer population and provide information and education on hunter access. **Commissioner Brown** reinforced the need for partnering with other conservation organizations to have organized events to reduce deer numbers where needed.

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Chairman Charters recognized **Representative David Farhat**.

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PRIVATE CERVID OPERATIONAL STANDARDS

Bill Moritz, Chief, Wildlife Division, and Nancy Frank, Veterinarian, Department of Agriculture, offered the final draft of the Operational Standards for Registered Privately Owned Cervidae Facilities. Two major revisions occurred since the presentation of the draft Operational Standards at the December 2005 NRC meeting: 1) tightening of the biosecurity aspects of the standards by requiring that all existing facilities will have to be in conformance to the operational standards by January 1, 2008; and 2) further definition of the roles of the DNR and Department of Agriculture. A communication path has been developed between the two agencies. The Commission of Agriculture adopted these Operational Standards previously. (The NRC adopted the Operational Standards later in this meeting.)

FOREST CERTIFICATION

Lynne Boyd, Chief, Forest, Mineral and Fire Management Division, announced that the State of Michigan forests are now dually certified by the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC). She introduced **Petie Davis, Business Unit Manager, Environmental, Health and Safety Registration Services for NSF International Strategic Registrations, Ltd. (NRS-ISR) located in Ann Arbor**. NSF certifies companies to environmental health and safety standards around the world. In this case, NSF conducted the audits of the 15 DNR forest management units across Michigan. She stated that the DNR met many standards and had many outstanding forestry practices such as: significant measures to protect rare, threatened or endangered species; outstanding management and protection of special sites; and

exemplary programs for integrated pest management. NSF's lead auditor, **Mike Ferrucci**, is quoted to have said, "I have been involved in the assessment of forestry practices on over 18 million acres of public and private lands throughout the United States and Michigan has one of the strongest public forestry programs I have ever seen."

Ms. Davis presented the certifications to Director Humphries, Lynne Boyd and the Forest Management Advisory Committee (most of whom were present), and commended them on their accomplishment.

Director Humphries thanked Ms. Davis for coming and presenting the certifications in celebration of a milestone. She noted that Governor Granholm is very pleased with Michigan achieving dual certification. She introduced and thanked the Forest Management Advisory Committee for all of the time and effort involved in accomplishing these certifications.

Kevin Korpi, Michigan Forest Products Council, congratulated the DNR, on behalf of the Michigan Forest Products Council and Sustainable Forestry Initiative's Committee in Michigan. He said they have greatly appreciated the opportunity to work with staff on dual certification and quality forest management in general. He said this is an important milestone after two years of work. With the enactment of PA 125 of 2004, allowing dual certification, he commended Representative Tom Casperson, the primary sponsor, and Governor Granholm.

He said that forest certification is an important tool for ensuring working forests are managed to sustain conservation, provide wildlife habitat and support our economy. These certifications also demonstrate a long-term commitment to responsible stewardship of our natural resources. Certification is also vitally important to support Michigan jobs. It opens access to paper and solid wood markets, while maintaining the biodiversity of Michigan's forests. He said it is truly a means to provide the forest products we use in our lives everyday, while protecting the forest we want to enjoy forever. Michigan forest products companies like NewPage, Weyerhaeuser, Potlatch and many others depend on State Forests for a long-term available supply of fiber. Approximately 35 percent of Michigan's 19.3 million acres of forest are privately owned. Nearly 60,000 acres of state forestland, producing over 700,000 cords of fiber, are actively managed each year supporting a large part of Michigan's economy.

In 2005, the forest product industry in Michigan generated nearly \$12 billion and employed more than 154,000 people, from loggers and truckers to mill workers, flooring and cabinet and furniture makers.

Finally, **Mr. Korpi** said that certification systems are multifaceted and built on continuous improvement. The Michigan Forest Products Council is pleased with the DNR's efforts and looks forward to working closely with the DNR and others as State forest certification is implemented and maintained.

Tom Barnes, Michigan Association of Timbermen, applauded the DNR, Forest, Mineral and Fire Management Division, for the dual certification. He believes that this certification indicates to the public that the State forests are being managed in a sound scientific manner. He said it helps solidify the industry and stated that they are at a point

where a continuous supply of wood needs to be coming from the forests. Pulp and paper industries are now demanding wood come from a certified forest. He believes the State's dual certification will help Michigan resources to be more competitive on the global market. He said that Michigan Association of Timbermen and the Michigan Forest Products Council look forward to assist the State in sustaining its certification.

Chairman Charters said that too often, the DNR is judged by the number of deer harvested or fish caught and said that dual State forest certification is certainly another huge success for the Department. He congratulated staff on their victory.

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The Committee of the Whole meeting adjourned at 4:40 p.m. and the Public Appearances portion of the meeting convened at 5:00 p.m.

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PUBLIC APPEARANCES

John Reis, Michigan Sharptail Grouse Association
Marty Fittante, Representative Casperson's Office
Joel Mikkelsen, Oceana County
Paul Reenders, Oceana County
Fred Merten, Oceana County
David Tubbs, Oceana County
Dave Borgeson, Michigan Resource Stewards
Charles Rumsey
Jim Maturen, Michigan Wild Turkey Hunters Association
Jerry Keck, Michigan Bow Hunters Association
Tom Lounsbury, United Sportsmen's Alliance
Jason Dinsmore, Michigan United Conservation Clubs
Jeffry Sowa, Newaygo County

John Reis, Michigan Sharptail Grouse Association, requested that large open spaces in the eastern Upper Peninsula (specifically a line from Au Train to Escanaba down to Drummond Island) be maintained and restored on a permanent basis for sharptail grouse and Kirtland's warblers. He distributed a document named, "Conservation Strategy for Large Open Lands and Associated Wildlife in the Eastern Upper Peninsula of Michigan." This was drafted in June of 2000 and has not been officially published. It has, however, been used by land managers to develop land management plans. He believes that the current DNR land managers are managing the areas appropriately. His concern is that, when the current DNR land managers are retired, will their successors continue to manage the lands in a similar manner. He asked the NRC to establish permanent status for the existing openings. Discussion ensued.

Marty Fittante, Representative Casperson's Office, was asked by Representative Casperson to present his comments relative to the DNR's dual certification. Mr. Fittante's comments follow:

"Thank you Mr. Chair, Madam Director, NRC Commission members. Regretfully, Representative Casperson could not be here today, but he did ask me to come on this historic day and indeed thank the Department, the Director, the Governor, and the staff of the Department for their exceptional work, for their dedication and their vision in bringing this state of fruition. Representative Casperson has often said that, as a result of certification, Michigan forests will be judged by the gold standard, and Madam Director and the Department have indeed made this opportunity possible. So he wanted to express his sincere thanks and his gratitude in helping this state come about."

Joel Mikkelsen, Paul Reenders, Fred Merten, and David Tubbs, Oceana County, noted that they have four deer cooperatives in the county and have practiced quality deer management (QDM) for the past several years. Collectively, they have enjoyed not shooting age class deer and are getting better deer; encouraged promoting QDM; promote working with farmers to reduce crop damage; but are concerned that hunters go out-of-state because they are not happy with Michigan's herd. They expressed concern for the white-tail deer herd in Michigan. They requested the following: 1) increase hunting license fees; 2) request mandatory deer checks; and 3) that the DNR promote QDM. **Commissioner Garner** noted that Wisconsin had mandatory deer checks at one time and said it doesn't make a difference in the harvest data.

Commissioner Wheatlake reiterated that the Hunting and Fishing License Package Development Work Group will be addressing license fees. He asked how much they would be willing to pay for hunting license. One response was \$20 for one buck and higher for a two buck license.

Dave Borgeson, Michigan Resource Stewards, referred to MUCC Resolution 17 as passed at the MUCC Convention in June 2005 relative to "Buy Out and Phase Out of Captive Cervid Businesses." He expressed concern that chronic wasting disease coming to Michigan could be a risk because of noncompliance by the facilities. He believes it is wrong to issue new operational permits because of the risk of chronic wasting disease.

Charles Rumsey recommended that the DNR not issue permits for the use of compound bows and crossbows during firearm deer season; and drop the minimum age limit for compound assisted bows. By doing this, he believes this would increase license sales through youths, disabled, and older hunters as well as increase deer harvest in high population areas. **Commissioner Wheatlake** asked if he believes the senior discount is necessary and would he be willing to pay more for hunting licenses. Mr. Rumsey said he would be willing to pay more for licenses.

Jim Maturen, Michigan Wild Turkey Hunters Association, opposed the proposed sale of public water access sites in Oceana and Mason counties as listed for action by Director Humphries. These are recommendations under Phase II land review.

Jerry Keck, Michigan Bow Hunters Association (MBH), was pleased that Chairman Charters was reappointed for another term. He supported the QDM guidelines as proposed by staff at the December 2005 NRC meeting. The MBH supports voluntary QDM, but opposes mandatory antler restrictions. He also said that hunting licenses are the least costly part of hunting and he would be willing to pay more.

Tom Lounsbury, United Sportsmen's Alliance (USA), thanked the NRC for opening the Thumb area to pheasant hunting in December. He supported the proposed QDM guidelines.

Jason Dinsmore, Michigan United Conservation Clubs, recommended that the recommendations from the Hunter Recruitment and Retention Work Group, the Hunter Access Program sub-Work Group and the recommendations from the proposed operational standards for privately owned cervidae facilities move forward.

Jeffry Sowa, Newaygo County, stated that unlimited antlerless permits have created less pressure on bucks in that county. However, he would like a reduction in antlerless permits in Newaygo County to increase the deer herd. He stated he would not have a problem paying more for a hunting license.

The Public Appearances portion of the meeting adjourned at 6:05 p.m. and the Regular Meeting convened at 6:05 p.m.

APPROVAL OF MINUTES – DECEMBER 1, 2005 NATURAL RESOURCES COMMISSION MEETING

Commissioner Garner made a motion, supported by Commissioner Madigan, for approval. Commissioner Wheatlake abstained from voting due to his absence at the meeting. Motion carried 6-0 with one abstention.

DIRECTOR ACTION ITEMS

Director Humphries reported that a lawsuit was filed against the Department relative to the **Land Use Order of the Director, Amendment No. 1 of 2006, Order to establish a maximum speed limit for snowmobile use on a portion of the Munising to Marquette Rail Trail, Chocoday Township, Marquette County**. She said she will approve that Order and evaluate. Changes can be made at a later date if adjustments need to be made. **Commissioner Madigan** asked if the speed limit could be lowered to reduce noise levels to the locals. **Mindy Koch** said that the 35 mph limit recommendation came from the locals.

Under **Phase II Land Review Recommendations for Mackinaw County, Parcel numbers 446779 and 446778 listed for disposal will be moved to the list to be retained.**

Under **Phase II Land Review and Boundary Adjustment Recommendations for Oceana County**, Director Humphries will hold action on the Silver Lake Parcel Number 78809, listed for disposal, for further review. (following further review the next week, Director Humphries decided to keep it on the list for disposal.)

Chairman Charters, Commissioner Garner and Commissioner Wheatlake concurred in opposition for selling land to the U.S. Fish and Wildlife Service such as is being proposed in Mason County. They believe that only exchanges should occur.

PROJECT GO-GET OUTDOORS--WINTER 2006

Ron Olson, Chief, Parks and Recreation Division, reviewed Project GO-Get Outdoors events on February 18 and 19. He noted that the Project GO-Get Outdoors summer event will take place on June 10-11. He hopes that additional events will be added as the time nears.

Kelley Smith, Chief, Fisheries Division, said that Free Fishing Weekend is February 18-20.

NRC POLICY COMMITTEE REPORTS

NRC Policy Committee on Wildlife and Fisheries (see attached Minutes)

NRC Policy Committee on Finance and Administration (see attached Minutes)

RESOLUTION TO AUTHORIZE THE DEPARTMENT OF NATURAL RESOURCES TO SET MOTOR VEHICLE PERMIT (MVP) FEES

Commissioner Wheatlake made a motion, supported by Commissioner Hall, to adopt the following resolution:

***Whereas**, the authority to set camping and other miscellaneous user fees resides with the Director of the Department of Natural Resources, and*

***Whereas**, no general fund support is provided by the legislature for state parks and recreation areas operations, maintenance, and capital outlay improvements, and;*

***Whereas**, the authority to establish the requirement that Motor Vehicle Permits be purchased for park entry and the fee structure for such permits are under the purview of the Legislature, and;*

***Whereas**, the need to structure all fees in order to establish a reliable and predictable revenue stream has become critical to the continued viability of the Parks and Recreation Division, and;*

***Whereas**, the authority to require MVP's and establish their respective fees is currently set to expire on January 1, 2007 and if not extended would result in a significant revenue shortfall for the Parks and Recreation Division;*

***Resolved**, that the CCMSPP approves the request to authorize the Director of the Department of Natural Resources to set the MVP requirements and rates with review and recommendation from the CCMSPP and the Natural Resources Commission.*

***Resolved**, that the CCMSPP recommends that the Natural Resources Commission and the Department of Natural Resources Director take appropriate steps to notify the legislature of the need to amend the*

legislation to enable MVP's and related fees to continue into the future without a gap in the funding stream.

Motion unanimously carried.

HUNTING AND FISHING LICENSE PACKAGE DEVELOPMENT WORK GROUP

Chairman Charters announced the members of the Hunting and Fishing License Package Development Work Group as follows:

Frank Wheatlake, Work Group Chair, Representing the Natural Resources Commission
Steve Arwood, Heart of the Lakes
George Burgoyne, former DNR Resource Management Deputy
Rick Bowman, Michigan Chapter Trout Unlimited
Jim De Clerck, Saginaw Field and Stream Club
Glen Duncan, Hardware Retail
Dennis Grinold, Michigan Charter Boat Association
Jack Kelley, Michigan Steelhead/Salmon Fisherman's Assoc.
Bill Malloch, U. P. Whitetails Association of Schoolcraft Co.
Katrina Mueller, Student, Michigan State University
Tom Nemacheck, Upper Peninsula Tourism and Recreational
Dan Potter, National Wild Turkey Federation
Gary Schinske, Michigan Trappers Association
Gerald Thiede, former Chief, Forest Management Division, DNR
Sam Washington, Michigan United Conservation Clubs
Christopher Wesolek, Student, Lake Superior State University
Harry Whitely, former Natural Resources Commissioner
Gary Williams, Southeast Michigan (MSU Extension)
Wayne Wood, Michigan Farm Bureau

He noted that the charge of this Work Group is to assist the Natural Resources Commission and the Department of Natural Resources in developing a new hunting and fishing license package. This new package will need to be developed by the end of April, 2006 so that it can be introduced in the Legislature with adequate time for discussion and passage.

MOTION ON THE OPERATIONAL STANDARDS FOR REGISTERED PRIVATELY OWNED CERVIDAE FACILITIES

Commissioner Garner made a motion, supported by **Commissioner Madigan**, that the Natural Resources Commission concurs with and adopts the December 2005 revised Operational Standards for Registered Privately Owned Cervidae Facilities as developed by the Michigan DNR and Michigan Department of Agriculture work group. Motion unanimously carried.

NATURAL RESOURCES COMMISSION – COMMITTEE MEMBERSHIPS

Chairman Charters announced that the current NRC Committee and Work Group memberships will remain the same. The list follows:

NRC Policy Committee on Finance and Administration:

Commissioner Wheatlake (Chair), Commissioner Hall, Commissioner Earley

Upper Peninsula Habitat Work Group:

Commissioner Madigan (Chair), Commissioner Wheatlake. Commissioner Garner (alternate)

NRC Policy Committee on Wildlife and Fisheries:

Commissioner Garner (Chair), Commissioner Hall, Commissioner Madigan

NRC Policy Committee on Land Management:

Commissioner Charters (Chair), Commissioner Brown. Commissioner Madigan (alternate)

NRC Policy Committee on Technology, Information, Marketing and Education:

Commissioner Brown (Chair), Commissioner Garner. Commissioner Charters (alternate)

Ex officio Committee on Legislative Liaison:

All Commissioners. Commissioner Wheatlake-Lead

OTHER COMMITTEE/WORK GROUP INVOLVEMENT

Michigan Natural Resources Trust Fund Board:

Commissioner Garner represents the NRC

Hunter Retention and Recruitment Work Group: (Estimated Completion-June 05)

Commissioner Hall (also Accessibility sub-work group)

Pigeon River Country State Forest Concept of Management Work Group:

Commissioner Hall (Work Group Chair)

Citizen's Committee for State Parks:

Keith Charters (ex-officio Member)

Chairman Charters requested that all Policy Committees establish goals and bring them to the March NRC meeting for action.

COMMISSIONER REPORTS

Commissioner Madigan attended the deer goals meeting in Escanaba.

Commissioner Earley thanked the Muskegon County Board of Commissioners, the Muskegon County Visitors and Convention Bureau and the City of Muskegon for hosting this meeting. He congratulated Chairman Charters on his reappointment, and expressed support for the Hunting and Fishing License Package Development Work Group process.

Commissioner Garner participated in the Michigan Natural Resources Trust Fund Board meeting held in December. He also attended meetings and held discussions with hunters and stated he is looking forward to tackling the hunting issues in the coming year.

Commissioner Brown thanked staff of the DNR for managing the issues she had brought to light relative to the Kal-Haven Trail.

Commissioner Wheatlake hunted in Nebraska, and attended meetings and had phone conversations relative to DNR matters.

Commissioner Hall hunted and vacationed.

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Chairman Charters thanked the City of Muskegon and Muskegon County for their hospitality.

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The meeting adjourned at 6:53 p.m.

**NATURAL RESOURCES COMMISSION
POLICY COMMITTEE ON FINANCE AND ADMINISTRATION**

MINUTES

JANUARY 12, 2006

The meeting convened at 10:30 a.m.

Committee Chairman Frank Wheatlake, Commissioners Jerry Hall and Darnell Earley were present for the Committee. Commissioners Keith Charters, Mary Brown and John Madigan were also present.

Citizens Committee On Michigan State Parks (CCMSP) - Motor Vehicle Permit Resolution

Murdock Jemerson, CCMSP, reviewed the Committee's Resolution No. 12-2005-01, as adopted by the CCMSP at its December 7, 2005 meeting in Lansing, entitled, "Resolution To Authorize The Department Of Natural Resources To Set Motor Vehicle Permit (MVP) Fees." The resolution follows:

***Whereas**, the authority to set camping and other miscellaneous user fees resides with the Director of the Department of Natural Resources, and*

***Whereas**, no general fund support is provided by the legislature for state parks and recreation areas operations, maintenance, and capital outlay improvements, and;*

***Whereas**, the authority to establish the requirement that Motor Vehicle Permits be purchased for park entry and the fee structure for such permits are under the purview of the Legislature, and;*

***Whereas**, the need to structure all fees in order to establish a reliable and predictable revenue stream has become critical to the continued viability of the Parks and Recreation Division, and;*

***Whereas**, the authority to require MVP's and establish their respective fees is currently set to expire on January 1, 2007 and if not extended would result in a significant revenue shortfall for the Parks and Recreation Division;*

***Resolved**, that the CCMSP approves the request to authorize the Director of the Department of Natural Resources to set the MVP requirements and rates with review and recommendation from the CCMSP and the Natural Resources Commission.*

***Resolved,** that the CCMSPP recommends that the Natural Resources Commission and the Department of Natural Resources Director take appropriate steps to notify the legislature of the need to amend the legislation to enable MVP's and related fees to continue into the future without a gap in the funding stream.*

Sam Washington, CCMSPP, stated that motor vehicle permit fee revenue generated in Fiscal Year 2005 was \$13,168,356 which represents one third of the total Parks and Recreation Division fee revenues collected in Fiscal Year 2005. He stated that the Legislature should appropriate General Funds adequately to cover costs. If not, the deficit would have to be addressed through Motor Vehicle Permit fee changes. He said that Michigan's fees are below those of other States. His preference is for those who manage the resources to be able to set fees and make decisions.

Mr. Jemerson said that fee-setting belongs with the DNR management. The CCMSPP recommends that the DNR Director be delegated the authority to set rates, similar to the camping and other parks and recreation areas fees with review from the CCMSPP and the NRC.

Mr. Washington said that the Legislature is aware of that the CCMSPP has been established to review where fee increases may need to be made. He said the next step is to have Legislation drafted addressing the recommendation.

The CCMSPP requested the NRC to adopt their resolution. (The NRC acted on this Resolution at its regular meeting on January 12, 2006.)

Ron Olson, Chief, Parks and Recreation Division, noted that reservations are 1.2 percent higher than reservations made at the same time last year.

Director Humphries thanked the CCMSPP for its efforts.

FY 2006 Capital Outlay Status

Sharon Schafer, Chief, Budget and Support Services, reviewed the FY 2005-2006 Capital Outlay Projects. She noted that "Statewide Deer Range Habitat Acquisition" for deer yards in the Upper Peninsula were not included in the Capital Outlay Bill, nor were \$5 million in state and local infrastructure improvements and land acquisitions under the Waterways Fund. Acquisitions were not included due to the Payment-in-lieu-of-taxes (PILT) issues. All other capital outlay projects requested were approved.

Commissioner Wheatlake expressed the importance for communication with the Legislature on the needs for deer range improvement in the Upper Peninsula as well as other expenditures of restricted funds. Discussion ensued relative to restricted funds.

Optimal Budget

Dennis Fedewa, Chief Deputy, addressed the following:

Structural Deficit: Defined as expenditure growth exceeding revenue growth. Increased costs (inflation or labor and contractual agreements; slowly declining license sales; or the statutory cap on restricted funds); decreased or flat revenues; and/or stronger reliance on restricted funds are all causes.

Four Step Plan: Once the structural deficit was discovered, a four-step plan was developed to address the issue: 1) identify the problem, which in this case, was the parks and game and fish; 2) take short-term action through reductions and fee increases; 3) develop an optimal budget; and 4) pursue long-term funding options.

Optimal Budget: Defined as engaging in program activities we should be doing that we cannot do with today's funding. Each Division was asked to develop their own optimal budget. Optimal budgets for all divisions were developed and broken down in four sections based on total additional resources of \$106.2 million: Ongoing Capital Outlay \$43.7 million; One-time capital outlay \$16.4 million; staff \$31.8 million; and other operating \$14.3.

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Commissioner Garner arrived at 11:00 a.m.

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Divisions were asked to review their optimal budgets individually identifying their needs and portion of the \$106.2 million:

Parks and Recreation Division: \$41.7 million

- Infrastructure needs: only have approximately 5 percent of current needs
- Operational needs/trends: to ensure visitors are safe
- Linear Trails funding reinstatement for five major trails
- Stewardship program
- Replacement Plan: 26 percent of equipment inventory is in poor condition
- Technology needs: computers are inadequate and radios need replacing

Fisheries Division: \$14.6 million

- Additional staffing needs: staffing plan created based on core mission
- Transitioning to the basin management philosophy
- Commercial Fisheries Buyouts
- Maintenance and Operating Costs

Forest, Mineral and Fire Management Division: \$10.5 million

- Resource Protection: Have 85 Firefighters – need 100
- Land Management needs: real estate functions; need complete inventories; maintenance dollars; trespass assistance; etc.
- Forest Recreation: This is the fastest growing recreation with the least amount of funding; and the need for State forest campground maintenance and supervision
- Infrastructure improvements: forest fire experiment station; ongoing maintenance such as Americans With Disabilities upgrades and upgrades to the campgrounds themselves; roads, bridge and building maintenance

Office of Land and Facilities: \$12.6 million

- Facilities, operations and support: need 23 administrative staff in the field offices to allow for initial contacts to the public; facility maintenance; and surveyors
- DCS and real estate services: baseline support increase is needed such as operators handling hunting and fishing licenses, parks reservations, etc.
- Ralph A. MacMullan Center: Staff, equipment and capital outlay needs.

Law Enforcement Division: \$15.3

- Additional Conservation Officers needed: need 59 additional Officers
- Additional supervision and support staff
- Expand shooting range program

Wildlife Division: \$11.4

- Staff/equipment/infrastructure Increases: More work has been done with fewer staff; need equipment and maintenance increases; and infrastructure needs
- Operational Needs: ongoing need for repair and replacement of equipment; private land assistance and integration of public/private lands; and communications
- Capital Outlay Needs: address the aging infrastructures

Hunting and Fishing License Package Development Work Group

Dennis Fedewa explained that the optimal budget was developed to determine what the DNR should be doing given available resources. The erosion of economics is causing the DNR to not keep pace with actual costs of doing business.

He said that \$37 million of the \$106.2 million total optimal budget is game and fish related activities. If nothing is done, just using current activity levels and current fee structures, it is predicted that there will be a shortfall of approximately \$39 million by 2010 (based on a 4 percent annual inflation rate). With the added game and fish optimal budget, assuming no additional game and fish monies, the 2010 deficit would be closer to \$150 million.

NRC Chairman Charters announced that the Hunting and Fishing License Package Development Work Group has been established to address game and fish fund shortfalls. The charge of this 19 member work group is to assist the Natural Resources Commission and the Department of Natural Resources in developing a new hunting and fishing license package. This new package will need to be developed by the end of April,

2006 so that it can be introduced in the Legislature with adequate time for discussion and passage.

Commissioner Frank Wheatlake will chair the Work Group and set the date for the first meeting. **Director Humphries** will assign staff to assist the group by providing input and conducting research into options and analyzing information.

Members of this Work Group follow:

Frank Wheatlake, Work Group Chair, Representing the Natural Resources Commission
Steve Arwood, Heart of the Lakes
George Burgoyne, former DNR Resource Management Deputy
Rich Bowman, Michigan Chapter Trout Unlimited
Jim De Clerck, Saginaw Field and Stream Club
Glenn Duncan, Hardware Retail
Dennis Grinold, Michigan Charter Boat Association
Jack Kelly, Michigan Steelhead/Salmon Fisherman's Assoc.
Bill Malloch, Schoolcraft Co.
Katrina Mueller, Student, Michigan State University
Tom Nemacheck, Upper Peninsula Tourism and Recreation Association
Dan Potter, National Wild Turkey Federation
Gary Schinske, Michigan Trappers Association
Gerald Thiede, former Chief, Forest Management Division, DNR
Sam Washington, Michigan United Conservation Clubs
Christopher Wesolek, Student, Lake Superior State University
Harry Whitely, former Natural Resources Commissioner
Gary Williams, Southeast Michigan (MSU Extension)
Wayne Wood, Michigan Farm Bureau

Once developed, a recommendation will be brought before the NRC Policy Committee on Finance and Administration to allow for public input. Constituent based input and support will be necessary for this to be a success.

Commissioner Wheatlake recognized **Representative David Farhat** who stated he would like to actively participate in this process.

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The meeting adjourned at 12:30 p.m.

**NATURAL RESOURCES COMMISSION
POLICY COMMITTEE ON WILDLIFE AND FISHERIES**

MINUTES

JANUARY 12, 2006

Committee Chair Bob Garner called the meeting to order at 1:00 p.m.

Present for the Committee were Commissioners Bob Garner, Jerry Hall and John Madigan. Commissioners Charters, Brown and Wheatlake were also present.

Wildlife Division presented the 2006 calendar items first. The committee members will review those items and they will be finalized at the February 9, 2006 NRC meeting.

Bill Moritz, Chief, Wildlife Division, updated the Committee on the regulations and habitat meeting and explained his vision for a Division strategic plan for habitat. **Commissioners Hall and Garner** were pleased with that direction and have some habitat goals as well. **Commissioner Madigan** expressed his concern over the current sale of an Upper Peninsula paper company and would like the Division to own those lands.

Discussion ensued regarding the deer population goals and the meetings that are currently being conducted across the State. The Commissioners have been trying to attend those meetings and liked the format of the meetings. Much discussion ensued on goal numbers. **Commissioner Wheatlake**, as part of this discussion, requested the Division take into consideration several issues regarding the license package, including a quiet period prior to opening day, opening day moved to a Thursday, Friday, or Saturday each year, no antlerless permits in deer management units (DMU) that are under goal for one year, request the U.S. Forest Service increase their timber harvest, and a survey question when a license is purchased – “did you harvest a deer last year?”

Steve Schmitt, DNR Veterinarian, updated the Committee on the preliminary surveillance numbers. For bovine tuberculosis, 7,209 animals have been tested – 112 elk, 8 moose and 7,089 deer. Three deer tested positive and 11 were suspect. All were within the 14 county area. It is too early for the prevalence rate in DMU 452. For chronic wasting disease, 1,681 animals were tested – 111 elk, 7 moose, and 1,563 deer, and 81 targeted animals were also tested. None were positive. Steve said the next likely step for CWD surveillance is to move toward more targeted testing and less hunter-harvested testing. He finished up by updating the Committee on the Avian influenza situation and said they are working on an Avian influenza preparedness action plan.

John Paskus, Wildlife Division, then presented to the Committee his presentation on “Minimizing the Impacts of Land Use on Michigan’s Wildlife.”

Mike Bailey, Wildlife Division, reported the elk hunting season conditions were excellent and the season was successful. Out of the elk targeted 110, 118 were harvested during the season with a good harvest distribution.

The Committee meeting adjourned at 2:45 p.m.